

AN ACT AMENDING CERTAIN SECTIONS OF REPUBLIC ACT NUMBERED FOUR HUNDRED AND TWO, AS AMENDED.

REPUBLIC ACT NO. 4540, June 19, 1965

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section one of Republic Act Numbered Four hundred and two, as amended, is hereby further amended to read as follows:

"SECTION 1. There is hereby granted to Clavecilla Radio System, hereinafter referred to as the grantees a franchise to establish, construct, maintain and operate in the Philippines, at such places as the grantee may select, subject to the approval of the Secretary of Public Works and Communications, stations for international telecommunications, domestic telecommunications, and stations for broadcasting, including television, and for the transmission and reception of messages, impressions, pictures, and signals by means of electricity, electromagnetic waves or any kind of energy, force, variations or impulses whether conveyed by wires, radiated through space or transmitted through other media, and for the handling of any and all types of telecommunication services, and to lease and/or acquire facilities, channels and/or circuits."

SEC. 2. Section eight of the same Act is hereby amended to read as follows:

"SEC. 8. The grantee shall keep a separate account of the gross receipts of the business transacted by it in the Philippines, and shall furnish to the Auditor General and the Treasurer of the Philippines a copy of such account not later than the fifteenth day of April of each year for the preceding year. For the purpose of auditing accounts so rendered to the Auditor General and National Treasurer, all of the books and accounts of the grantee, or duplicate thereof, so far as they relate to the business transacted in the Philippines, shall be kept in the Philippines, and shall be subject to the official inspection of the Auditor General or his authorized representatives, and the audit and approval of such accounts shall be final and conclusive evidence as to the amount of said gross receipts, except that the grantee shall have the right to appeal to the courts of the Philippines, under the terras and conditions provided in the laws of the Philippines."

SEC. 3. Section nine of the same Act is hereby amended to read as follows:

"SEC. 9. (a) The grantee shall be liable to pay the same taxes on its real estate, buildings, and personal property, exclusive of the franchise, as other persons or corporations are now or hereafter may be required by law to pay, except radio equipment, machinery and spare parts needed in connection with the business of the grantee, which shall be exempt from customs duties, tariffs and other taxes, as well as those declared exempt in this section.

"(b) The grantee shall further pay to the Treasurer of the Philippines each year after the audit and approval of the accounts as prescribed in this Act, one and one-half per centum of all gross receipts from business transacted under this franchise by the said grantee in the Philippines, in lieu of any and all taxes of any kind, nature or description levied, established or collected by any authority whatsoever, municipal, provincial or national, from which the grantee is hereby expressly exempted, effective from the date of the approval of Republic Act Numbered Sixteen hundred eighteen.

"(c) In order to foment local industry and the development of television in the Philippines, radio and television

receiving sets manufactured or assembled in the Philippines with Filipino labor and materials to the extent possible, shall be exempt from the date this Act becomes into force and effect."

SEC. 4. Section eighteen of the same Act is hereby amended to read as follows:

"SEC. 18. The grantee shall not lease, transfer, grant the usufruct of, sell or assign this franchise to any person, firm, company, corporation or other commercial or legal entity, nor merge with any other company or corporation organized for the same purpose, without the approval of the Congress of the Philippines first had. Any corporation to which this franchise may be sold, transferred, or assigned, shall be subject to the corporation laws of the Philippines now existing or hereafter enacted, and any person, firm, company, corporation or other commercial or legal entity to which this franchise is sold, transferred, or assigned shall be subject to all the conditions, terms, restrictions, and limitations of this franchise as fully and completely and to the same extent as if the franchise had been originally granted to the said person, firm, company, corporation or other commercial legal entity."

SEC. 5. Section twenty of the same Act is hereby amended to read as follows:

"SEC. 20. This franchise shall not be interpreted to mean an exclusive grant of the privileges herein provided for, however, in the event of any competing individual, partnership, or corporation, receiving from the Congress of the Philippines a similar permit or franchise more favorable than those herein granted or tending to place the herein grantee at any disadvantage, then such term or terms, shall, ipso facto become part of the terms hereof, and shall operate equally in favor of the grantee as in the case of said competing individual, partnership or corporation."

SEC. 6. This Act shall take effect upon its approval.

Approved, June 19, 1965.

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